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Issued January 21, 1942

Reserve

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.

County and State Office Procedure for
Liquidating 1941 Wheat Loans Before Maturity



I. Maturity Date of Loans

Loans secured by either warehouse or farm stored wheat mature on April 30, 1942. A borrower may obtain possession of the warehouse receipt for wheat stored in a warehouse or full possession of wheat stored on the farm by repaying the loan plus interest (3% per annum to time of repayment) on or before maturity date of the loan. If loans are not repaid on or before maturity, the Commodity Credit Corporation will take possession of pledged warehouse receipts and arrange for delivery of farm stored wheat. Accrued storage charges will remain a lien against the wheat.

II. Notice to Borrowers of Maturity Date

County committees should arrange to notify each borrower of the maturity date of the loan. This notice should be mailed to each borrower at least 20 days prior to the maturity date of the loan. Attached is a copy of a suggested notice to borrowers whose loans are secured by warehouse stored wheat. A similar notice should be prepared for borrowers whose loans are secured by farm stored wheat.

III. Loans made by Local Bank or Lending Agency

A. The borrower pays the amount of the loan plus interest at 3% per annum to date to the lending agency. Upon repayment of the loan, the lending agency will return the following to the borrower:

1. The warehouse receipt and note, "1941 CCC Wheat Form B", in the case of warehouse storage loans.
2. The wheat producer's note, "1941 CCC Wheat Form A", in case of farm storage loans.

The note in either case will be marked "paid". In the case of a farm storage loan, the county committee will have the release of the chattel mortgage recorded in the office where the mortgage was originally recorded. The Chicago Office of the Commodity Credit Corporation will notify the county offices through the State office of the loans that have been paid.

B. Immediately upon repayment of a loan, the lending agency will transmit to the Chicago Office of the Commodity Credit Corporation the amount of interest due together with transmittal sheet, CCC Wheat Form F.

IV. Loans made by the Commodity Credit Corporation

1. Repayment of loan to local banking institution. The borrower should request the Chicago Office of the Commodity Credit Corporation to return the loan documents to his local bank for collection. The borrower should make arrangements to pay the original amount of the loan plus interest at 3% per annum to date of payment to the specified bank, whereupon the bank will return any warehouse receipt or wheat producer's note held by the Commodity Credit Corporation to the borrower. If the note is not paid within 15 days after the day it is received by the specified local bank, it will be returned to the Commodity Credit Corporation together with any warehouse receipt in connection therewith.

2. Repayment of loan direct to Commodity Credit Corporation. The borrower may, if he chooses, repay the loan by sending a check (preferably a certified check or Postal Money Order) for the original amount of the loan plus interest at 3% per annum to date, directly to the Chicago office of the Commodity Credit Corporation, in which case any warehouse receipt or wheat producer's note held by the Commodity Credit Corporation will be returned to the borrower.

V. Statement to be attached to warehouse receipts by lending agencies.

Lending agencies will attach the following statement to all warehouse receipts released by them:

"In conformity with Section 21 of the Uniform Grain Storage Agreement, notice is hereby given that the attached warehouse receipt (described below) was pledged as collateral for a loan made available by the Commodity Credit Corporation and was released from pledge as of the latest date shown hereon, and for the period prior to such date is eligible for the Schedule of Rates set forth in the Uniform Grain Storage Agreement."

Warehouse Receipt No. Date Quantity

(Date of release)

(Signature)

VI. Computation of Interest Rates and Storage Charges

Interest will be charged at the rate of 3% per annum for the time the note is in effect. Storage charges will be computed at the rates specified in the Uniform Grain Storage Agreement for the period from the date a warehouse receipt or supplemental certificate was issued to the date on which the loan was repaid. Storage charges after the date of repayment will be at the regular commercial storage rate. Storage charges prior to the date of the issuance of the warehouse receipt or supplemental certificate were satisfied before the loan was made.

VII. Report and Record of Loans Repaid

A. The State office will be notified by the Chicago Office of the Commodity Credit Corporation of the loans repaid. Upon receipt of this notice, the State office will in turn notify the respective county office of all loans repaid.

B. The county office will keep a record of all loans repaid, showing the date of each repayment and the local farm price of wheat on the date of each repayment.

VIII. Address of Commodity Credit Corporation Office

Chicago Office - Commodity Credit Corporation
208 South LaSalle Street
Chicago, Illinois.

C. Ely Wickham
Chief, Program Marketing Section
Northeast Division

(SUGGESTED LETTER NOTIFYING BORROWERS OF WHEAT LOAN MATURITY DATE)

Re: 1941 Wheat Loan - Serial No. 23-064-5

John Doe

(Borrower)

Warehouse Jones Milling Company

Lending Agency Lancaster Nat'l Bank

R.D. #2, Lancaster, Pennsylvania
(Address)

Amount \$125.50 Certified June 9, 1941

Maturity Date April 30, 1942

This office certified to documents authorizing a loan on your 1941 crop of wheat as specified above. It is assumed that you completed your loan and the note you signed in connection therewith will mature on April 30, 1942.

If you are interested in paying off your loan and redeeming your warehouse receipts, you may do so on or before April 30, 1942, by paying to the agency holding your notes; the principle amount of your loan plus interest at 3% per annum for the time your note was in effect. Accrued warehouse charges will remain a lien against the wheat. You are urged to obtain complete information with reference to your loan, including the name of the present holder of your note and the amount required to repay the loan. This information may be obtained from the County Agricultural Conservation Office, from the lending agency from whom you obtained the loan, or from the warehouse where wheat is stored.

If the proceeds of the sale of the wheat are needed to pay the loan, you may contract for the sale and authorize the purchaser to forward a sufficient amount of the proceeds to the lending agency to pay the loan in full. The purchaser may obtain the warehouse receipt by delivery to the agency holding the note, a signed order of release from the borrower together with an amount of money equal to the principle of the loan plus accrued interest.

If you plan to redeem your wheat, we suggest that you allow ample time to complete all transactions before April 30, 1942. The office of the County Agricultural Conservation Office will assist you whenever asked to do so in the orderly liquidation of your loan.

County Agricultural Conservation Committee

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Address of County Office.